

Confidential.

pp  
1882-6  
C-3

# HUDSON'S BAY COMPANY.

---

## REPORT

BY

## THE SECRETARY

ON MATTERS RELATING TO THE COMPANY'S  
LANDED PROPERTY.

---

LONDON:

PRINTED BY MR ROBERT CAUSTON AND SONS,  
17, FLEET STREET, E.C., AND SOUTHWAKE ST., S.W.

1882.



# HUDSON'S BAY COMPANY.

---

MONTREAL,

*September 21st, 1882.*

EDEN COLVILLE, Esq.,

GOVERNOR,

HUDSON'S BAY COMPANY.

DEAR SIR,

I wrote to you last week on matters relating to the trade, and have now to report the result of a final interview which I had with the Directors of the C. Pacific Railway Company to-day regarding the property at Fort William.

2. Acting on Sir John Rose's suggestion, these gentlemen have considered the question of the development of the property by the erection of elevators, and by making other improvements, and they stated to me their opinion that the action of the Railway Company in regard to these matters would greatly influence the value of the property as a whole, or only a portion of it, if the original proposal of giving them only 100 acres was carried out. Since Sir John Rose left New York, the Railway Company have changed their plans and have agreed to take over the Thunder Bay Line this autumn. The arrangement, therefore, about Fort William if delayed would have fallen through, but they have given the Company the option of accepting one or other of the propositions which we discussed, and with

this proviso I have closed the matter by addressing the President a letter, a copy of which is annexed.

3. I again pressed upon the attention of the C. P. R. Directors the desirability of their building a Railway Bridge at Lower Fort Garry, but I was informed that their General Manager, Mr. Van Horne, had not visited that place. He would do so, however, specially, at an early date, and report his view on the matter, and on a proposition made by the people at Selkirk to build a bridge there for the Railway Company. I took upon myself to say that the Hudson's Bay Company would act liberally in the matter of a land grant, which might ultimately prove more valuable than the cost of the bridge proposed to be built at Selkirk. In reply, Mr. Stephen said that the matter would certainly be re-considered, and the Company would be advised of the opinion Mr. Van Horne formed, and, if favorable, negotiations would be renewed at an early date.

4. When I reached Winnipeg, Mr. Grahame made a voluntary communication to me regarding his connection with the purchase of 54 lots of land upon which old Fort Garry stood. He told me in confidence that he understood from Mr. Blanchard, the Company's solicitor, that besides themselves, Mr. Brydges and Mr. Baskillie, a clerk in the Land Office, were interested as purchasers of the lots in question. I refused to receive this information in confidence, and requested Mr. Grahame to speak to Sir J. Rose, then in Winnipeg, on the subject. Subsequently Mr. Blanchard produced documents showing that the first instalment of the purchase-money was met by three equal payments for Mr. Blanchard, Mr. Grahame and Mr. Baskillie, and the first-named gentleman denied that

he ever said that Mr. Brydges was in any way concerned in the purchase. Mr. Grahame then admitted that he had laboured under an erroneous impression from the time of the purchase until, as above stated, the facts were brought before him. He mentioned, however, that it was his intention in the first instance to have written to London, stating that he had entered into the transaction, but acting on Mr. Blanchard's advice he abstained from doing so. Finally he offered to cancel his part in the transaction, or to make over to the Company any advantages arising from it. I mentioned this matter to Mr. Brydges and suggested that Mr. Baskille should be called upon to make a similar offer, but no further reference was made to it during my stay in Winnipeg. A few days after the contract was completed, eleven of the lots were re-sold for \$275,000, while the purchase price of the 56 lots amounted to \$280,000. Mr. Grahame agreed to enter upon this speculation before Mr. Blanchard finally settled the price with Mr. Brydges.

5. I mention these matters as bearing upon the Minute of the Governor and Committee intended for the discouragement of speculation by Officers and Servants in the Company's lands; and I would explain further that it has been disregarded in other respects, inasmuch as the Company's Surveyors—the men of all others likely to obtain early and reliable information as to the position and value of different lots—have been permitted to buy land from the Company. I understood also that clerks in the Land Office have recommended parties in the service to secure land from the Company in favourable situations, and the purchases have been completed without, so far as I could ascertain, the

advantages of the land so acquired being made known to the public.

6. Upon the question of the Officers and Servants of the Company being allowed to purchase the lands of the Company, I would mention that lately the Directors of the Canadian Pacific Railway Company have made regulations under which no Servant of that Company is permitted to speculate in their land or to hold land from the Company without the permission of the Directors.

I was not aware of this when I spoke to Mr. Brydges upon the matter of proposing, for the consideration of the Governor and Committee, a Minute under which neither directly nor indirectly should any Officer or Servant of the Company be allowed to purchase their land without the permission of the Board. He seemed to think that if such regulations were passed, they would be evaded, and he added that if the Company obtained the same price from the Officers as that paid by the public he did not see any occasion for new rules. I hold that if the Servants of the Company are permitted to purchase their land, there will always be an impression that the public are placed at a disadvantage when compared with officials, some of whom at least obtain prior information affecting the values of the property to be sold, and I still think, after much conversation and some correspondence with Mr. Fleming on the subject, that as the Officers of the Company can, if they wish, obtain equally good land from other quarters, it would be advisable to enforce new regulations which could not be misunderstood.

7. We spoke to Mr. Brydges in reference to a limit to be placed on the number or value of the lots to be sold without

reference to the Board, and he said that no such sale as that of the 56 lots would again occur. He was quite ready to agree to any proposition for regulating the sales that might be deemed reasonable, and he suggested the sum of \$50,000 as a limit, as that would cover three or four of the best lots in Winnipeg and a larger number of lots in other towns, but in the event of the latter lots being duly advertised and offered for sale publicly, the limit might be exceeded.

8. In discussing with Mr. Brydges, the question of obtaining some benefit from the formation of towns along the line of railway, we proposed that at least some of the Company's sections should be reserved for a time, and offered for sale publicly when the circumstances of the different localities were sufficiently well known to create a demand for the lots, instead of selling them in advance of railway construction, and the benefits arising from it. Mr. Brydges defended the present plan of meeting the demand as it arose, but, upon a hint from Mr. Fleming, the matter was deferred for a further conference between us.

We discussed the system that had been pursued (upon which verbal explanations will be given), and came to the conclusion that, in the interest of the Company, it became necessary to have the question fully and carefully considered. Upon Mr. Fleming's suggestion, I sent a note to Mr. Brydges to that effect, and stated that until the Deputy-Governor could be consulted, the sales of land within five miles on each side of the line of Railway should be suspended.

On the 22nd of August, Mr. Fleming telegraphed to me at Winnipeg as follows:—"Your letter approved until

"Committee meets—offers to purchase within presented  
 "limits may be forwarded by telegraph."

I left for Mr. Brydges a copy of that message, he having in the meantime started for the North-West, and I have not since heard from him.

9. Soon after Mr. Brydges left Winnipeg, I availed myself of an opportunity that presented itself of proceeding to the North-West, as far as the site chosen at the Pile of Bones for the New Capital, named Regina, a distance of some 400 miles. I heard the views of various gentlemen well acquainted with the nature of the country, and the progress made at the different stations, of which there were at that time 43 selections made. Some of them appeared likely to become towns of importance, others had only a few tents by way of indicating the selections made; but in every instance the land had acquired a value greatly in excess of the price at which a few months previously, it had been sold by the Company to parties who had closely watched the course of the Railway, and who would soon realize a considerable amount of profit by the re-sale of lots to settlers.

At Brandon last year, the Company's land was sold at \$10 an acre. The same land a few months afterwards was worth \$500 an acre. At the Pile of Bones, Mr. Blanchard purchased in April last various lots which are on or near the line of Railway. One of these near the projected town was sold for \$3,000, and is now said to be worth from \$100,000 to \$200,000. Upon this matter I consider I am at liberty to quote the opinion of a gentlemen of high position, and capable of giving an unbiased opinion, that, if the Company had retained the lands they have sold this year west of the boundary of Manitoba, till the Railway



reached them, the difference between the price at which the various sections have been sold and their enhanced value would have exceeded £100,000.

I should mention that the C. P. R. have reserved all their land within three miles of the line of Railway, and are making no sales within that limit at present.

10. It is possible that offers may be made to the Hudson's Bay Company for the remainder of their land adjoining the Main Line, and in that case the question of town sites would undoubtedly be considered. Meanwhile, it would appear to be desirable that the position of new towns should be ascertained before any arrangements are made for effecting further sales within say a mile and a half on each side of the Line; and, as the public appeared to take a lively interest in the lots at Qu'Appelle and the Pile of Bones, the Company's share of the lands at or near the stations yet to be formed would, in all probability, meet with a ready demand, if particulars were announced by advertisement, and sales made from time to time by public auction.

A similar course might be tried with the lands between the different towns adjoining the Railway; and, as its construction is proceeding very rapidly, the period during which the sections are withdrawn from sale need not be of long duration, nor should the withdrawal give rise to unfavourable comment, if when the time arrives the public are allowed to compete freely for the purchase of the land.

11. The land accounts, with statements of undelivered land deeds, will be made up and audited every six months to agree with the dates at which the reports are presented to the Shareholders, as requested.

12. With the view of reducing the expenses of the Land Department, Mr. Brydges will shortly close the Land Office at Montreal, and all the ordinary advertisements of land in the Canadian newspapers will be discontinued, with the exception of those at Winnipeg, where they are necessary, as well as an ample supply of pamphlets and maps, which are freely circulated.

13. Mr. Brydges handed me the latest balance sheets and profit and loss accounts of the Red River and Assiniboine Bridge Company. They are made up to the 30th of June last, and show a clear profit of \$2,248, after charging \$7,586, the cost of the temporary repairs to the Red River Bridge.

The permanent repairs will cost a large sum, perhaps nearly \$50,000. The present capital of the Company is \$125,000, and it will require to be increased, but the matter is delayed till the money is required, and till it can be seen if the Corporation of Winnipeg will purchase the Bridge across the Assiniboine. Mr. Brydges unofficially offered to dispose of it for \$50,000, but he was not sanguine that the offer would be accepted. Possibly \$40,000 might be given, as the Bridge cost \$32,217, and the traffic returns continue to increase.

14. The Hotel built by the Company at Portage la Prairie was let to a tenant early this season, and it will be sold when an opportunity offers for recouping the Company the amount expended in building the Hotel, which, to some extent has assisted in adding to the value of the town lots in its neighbourhood.

I am, dear Sir,

Yours faithfully,

W. ARMIT.

Copy.

MONTREAL,

21st September, 1882.

GEORGE STEPHEN, Esq.,

PRESIDENT,

CANADIAN PACIFIC RAILWAY COMPANY.

SIR,

On behalf of the Hudson's Bay Company I have to signify the acceptance of one or other of the propositions which have been discussed between us, in view of your bringing the line of railway to Fort William, Lake Superior, and making a station and other improvements at that point.

*First.*—That the Hudson's Bay Company should make a free grant of a frontage along the entire width of its property on the north side of the river of such depth as the Railway Company shall decide, and of a block of land to be selected by the Railway Company of sufficient extent to constitute with the frontage an area of 100 acres in all; or

*Secondly.*—That the Hudson's Bay Company should make a free grant of a frontage 300 feet deep along the entire width of its property on the north side of the river, and of a block of land 15 to 25 acres in extent, to be selected by the Railway Company for railway purposes. The remainder of the property to be realized by the Canadian Pacific Railway Company, with the sanction and concurrence of the Hudson's Bay Company, to the best possible advantage, and the proceeds, after deducting expenses, to be divided equally between both Companies.

The decision of the Committee of the Hudson's Bay Company, upon whichever proposition they prefer, will be communicated to you at an early date.

I have the honour to be, Sir,

Your obedient Servant,

(Signed) W. ARMIT,

Secretary.





